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SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A LESTER

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N W
SUITE 301
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

February 7, 2012

Ms. Cynthia T. Brown
Chief of the Section of Administration
Office of Proceedings
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423

Dear Ms. Brown:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Security Agreement, dated as of February 6, 2012, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the a Memorandum of Security Agreement previously filed with the Board under Recordation Number 30081 and covers all rail equipment and leasehold interests therein of the Grantors now owned or hereafter acquired.

The names and addresses of the parties to the enclosed document are:

Grantors: RG Steel Sparrows Point, LLC
 RG Steel Warren, LLC
 RG Steel Wheeling, LLC
 1430 Sparrows Point Blvd
 Sparrows Point, MD 21219

Agent: Wells Fargo Capital Finance, LLC
 100 Park Avenue, 3rd Floor
 New York, NY 10017

Chief of the Section of Administration

February 7, 2012

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A description of the railroad equipment covered by the enclosed document is:

All locomotives, railcars and other rolling stock of the Grantors, including any lease and sublease interests relating thereto, whether now owned or hereafter acquired, effective as of March 31, 2011.

A short summary of the document to appear in the index is:

Memorandum of Security Agreement.

Also enclosed is a check in the amount of \$41.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Edward M. Luria', with a stylized flourish at the end.

✓ Edward M. Luria

EML/sem
Enclosures

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MEMORANDUM OF SECURITY AGREEMENT**SURFACE TRANSPORTATION BOARD**

This MEMORANDUM OF SECURITY AGREEMENT is made and entered into as of February 6, 2012, by and among Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and Wells Fargo Capital Finance, LLC, a Delaware limited liability company, in its capacity as agent for the Lender Group (in such capacity, together with its successors and assigns in such capacity, "Agent").

1. Pursuant to that certain Credit Agreement, dated as of March 31, 2011 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), by and among RG Steel, LLC, a Delaware limited liability company ("Parent"), RG Steel Sparrows Point, LLC, a Delaware limited liability company ("Sparrow"), RG Steel Wheeling, LLC, a Delaware limited liability company ("Wheeling"; and together with Sparrow, each individually a "Borrower" and collectively, "Borrowers"), the lenders party thereto as "Lenders" (such Lenders, together with their respective successors and assigns in such capacity, each, individually, a "Lender" and, collectively, the "Lenders") and Agent, the Lender Group (as defined in the Credit Agreement) has agreed to make certain financial accommodations available to Borrowers from time to time pursuant to the terms and conditions thereof.

2. In connection with the Credit Agreement, Grantors executed and delivered to Agent, for the benefit of Lender Group, that certain Security Agreement, dated as of March 31, 2011 (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified from time to time, the "Security Agreement"). Capitalized terms used herein but not specifically defined herein shall have the meanings ascribed to them in the Credit Agreement or the Security Agreement, as applicable.

3. Each Grantor hereby affirms and acknowledges that it has granted to Agent, for the benefit of Lender Group, a first priority security interest in, among other things, all of such Grantor's locomotives, railcars and other rolling stock of such Grantor, including any lease and sublease interests relating thereto, whether now owned or hereafter acquired, effective as of March 31, 2011, and subject to the terms defined in the Security Agreement (collectively, the "Railroad Collateral"). Grantors and Agent wish to show for the public record the existence of such security interest in the Railroad Collateral and, to accomplish the foregoing, Grantors and Agent are filing this Memorandum of Security Agreement with the Surface Transportation Board pursuant to 49 U.S.C. § 11301(a).

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Security Agreement to be executed and delivered as of the day and year first above written.

RG STEEL SPARROWS POINT, LLC, as a Grantor

By: 

Name: Richard D. Caruso

Title: Chief Financial Officer

STATE OF MARYLAND

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COUNTY OF BALTIMORE

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This Memorandum of Security Agreement was acknowledged and signed before me on this 3rd day of February, 2012, by Richard D. Caruso, as Chief Financial Officer of RG Steel Sparrows Point, LLC, a Delaware limited liability company, on behalf of RG Steel Sparrows Point, LLC.


NOTARY PUBLIC

My commission expires 9/12/12

MEMORANDUM OF SECURITY AGREEMENT

RG STEEL WHEELING, LLC, as a Grantor

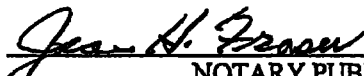
By: 
Name: Richard D. Caruso
Title: Chief Financial Officer

STATE OF MARYLAND

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COUNTY OF BALTIMORE

This Memorandum of Security Agreement was acknowledged and signed before me on this 9th day of February, 2012, by Richard D. Caruso, as Chief Financial Officer of RG Steel Wheeling, LLC, a Delaware limited liability company, on behalf of RG Steel Wheeling, LLC.


NOTARY PUBLIC
My commission expires 9/17/12

MEMORANDUM OF SECURITY AGREEMENT

RG STEEL WARREN, LLC, as a Grantor

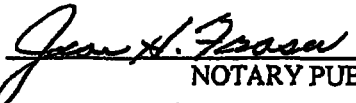
By: 
Name: Richard D. Caruso
Title: Chief Financial Officer

STATE OF MARYLAND

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COUNTY OF BALTIMORE


This Memorandum of Security Agreement was acknowledged and signed before me on this 3rd day of February, 2012, by Richard D. Caruso, as Chief Financial Officer of RG Steel Warren, LLC, a Delaware limited liability company, on behalf of RG Steel Warren, LLC.


NOTARY PUBLIC
my commission expires 9/17/12

MEMORANDUM OF SECURITY AGREEMENT

ACCEPTED AND ACKNOWLEDGED BY:

WELLS FARGO CAPITAL FINANCE, LLC, as Agent

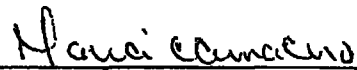
By: 
Name: Robert C. Klein
Title: VP / Sr. Relationship Manager

STATE OF NEW YORK

COUNTY OF NEW YORK

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This Memorandum of Security Agreement was acknowledged and signed before me on this 6 day of February, 2012, by Robert C. Klein, as VP of Wells Fargo Capital Finance, LLC, a Delaware limited liability company, on behalf of Wells Fargo Capital Finance, LLC.


NOTARY PUBLIC

MARIA CAMACHO
NOTARY PUBLIC-STATE OF NEW YORK
No. 01CA5086952
Qualified in Nassau County
Certificate Filed in New York County
My Commission Expires October 27, 2013

MEMORANDUM OF SECURITY AGREEMENT

CERTIFICATION

I, Edward M. Luria, an attorney licensed to practice in the District of Columbia, the State of Delaware and the Commonwealth of Pennsylvania, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 2/7/12

Edward M Luria
Edward M Luria